

Program D: Charitable Gaming

Program Authorization: Title 26 of the Louisiana Revised Statutes; Act 1188 of 1995; Act 568 of 1999

PROGRAM DESCRIPTION

The Office of Charitable Gaming has responsibility for overseeing the charitable gaming activities within the State of Louisiana. The mission of the Office of Charitable Gaming is to administer efficiently the state's tax and regulatory statutes in a manner that will generate the highest degree of public confidence in the department's integrity and fairness. To assist the department in its efforts, all organizations conducting gaming sessions must fully and accurately document all results. Goals of the Office of Charitable Gaming are:

1. To decrease the potential for fraud in the charitable games of chance.
2. To ensure that the net proceeds are contributed to bona fide charitable causes.
3. To prevent the infiltration of elements of organized crime or professional gambling into charitable gaming.

Act 568 of the 1999 Regular Session of the Louisiana Legislature, effective June 30, 1999, created the Office Charitable Gaming within the Department of Revenue and transferred the regulatory and statutory authority from the Office of State Police in the Department of Public Safety and Corrections. It also enacted Chapter 11 of Title 4 of the Louisiana Revised Statutes, all relative to the conducting and regulation of charitable gaming. This transfer was to be completed no later than January 1, 2000.

The Office of Charitable Gaming includes the Administrative Section, the Licensing Section, and the Audit Section. The Administrative Section is responsible for administering and enforcing the laws and regulations associated with the activities of charitable gaming. The Licensing Section is responsible for the review of applications requesting a license to conduct charitable gaming activities and for the issuance of the license. The Audit Section is responsible for the on-site inspection of gaming activities in progress, for the review of the books and records required to be maintained by the organizations and for the enforcement of the gaming laws and regulations.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.

1. (KEY) To increase the number of audits conducted by at least 10% over the FY 1999-00 standard (55).

Explanatory Note: Act 568 of the 1999 regular legislative session transferred the Charitable Gaming Enforcement activity from the Office of State Police to the Department of Revenue (Office of Charitable Gaming), effective January 2000.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Number of inspections conducted	325	523	480	480	275	275
K	Number of audits conducted	30	71	55	55	65	65
K	Number of investigations conducted	150	392	150	150	75	75
S	Number of licensees	1,200	1,261 ¹	1,100	1,100	1,100	1,100

¹ In FY 1998-99, 35 licenses were denied.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$125,000	\$125,000	\$125,000	\$0	(\$125,000)
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	1,080,189	1,564,024	1,564,024	1,299,137	1,425,749	(138,275)
Statutory Dedications	651,415	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u>\$1,731,604</u>	<u>\$1,689,024</u>	<u>\$1,689,024</u>	<u>\$1,424,137</u>	<u>\$1,425,749</u>	<u>(\$263,275)</u>
EXPENDITURES & REQUEST:						
Salaries	\$1,156,593	\$802,338	\$802,338	\$802,338	\$483,725	(\$318,613)
Other Compensation	8,772	0	0	0	0	0
Related Benefits	85,888	110,322	110,322	110,322	70,031	(40,291)
Total Operating Expenses	105,653	382,500	382,500	389,150	348,636	(33,864)
Professional Services	60	101,631	101,631	122,327	122,327	20,696
Total Other Charges	229,052	0	0	0	401,030	401,030
Total Acq. & Major Repairs	145,586	292,233	292,233	0	0	(292,233)
TOTAL EXPENDITURES AND REQUEST	<u>\$1,731,604</u>	<u>\$1,689,024</u>	<u>\$1,689,024</u>	<u>\$1,424,137</u>	<u>\$1,425,749</u>	<u>(\$263,275)</u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	30	23	23	23	20	(3)
Unclassified	0	0	0	0	0	0
TOTAL	<u>30</u>	<u>23</u>	<u>23</u>	<u>23</u>	<u>20</u>	<u>(3)</u>

SOURCE OF FUNDING

This program is funded with Fees and Self-generated Revenues. The Fees and Self-Generated Revenues are generated through fees assessed the industry through the required purchase of various licenses, permits, and fines for violations, etc.

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$125,000	\$1,689,024	23	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$125,000	\$1,689,024	23	EXISTING OPERATING BUDGET – December 3, 1999
(\$92,779)	(\$92,779)	(3)	Personnel Reductions
\$0	(\$292,233)	0	Non-Recurring Acquisitions & Major Repairs
(\$32,221)	(\$299,989)	0	Continuation of reductions imposed by Executive Order MJF 99-52 in FY 00-01
\$0	\$20,696	0	Other Adjustments - Interagency Transfers to the Department of Justice for legal services
\$0	\$401,030	0	Other Adjustments - Data Processing Redesign and Reengineering Project
\$0	\$1,425,749	20	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$1,425,749	20	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$1,425,749	20	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 84.4% of the existing operating budget. It represents 78.0% of the total request (\$1,827,200) for this program. The 15.6% decrease from the existing operating budget is due to non-recurring acquisitions and major repairs and reductions imposed by Executive Order MJF 99-52 in FY 00-01. This program does not have any positions that have been vacant for (1) one year or more.

PROFESSIONAL SERVICES

\$72,327	Legal Services provided by the Department of Justice for the conversion of the legacy system
\$49,000	Legal services provided by the Division of Administration for tax appeal cases
\$1,000	Provides for professional services for other contracted services

\$122,327 TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$401,030	Provides for the implementation of a networked PC-based system for financial information associated with licensing
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\$401,030 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2000-2001.